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*To ensure access to high-quality,
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care to Los Angeles County residents
through direct services at DHS facilities
and through collaboration with
community and university partners.*



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October 21, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT
(ALL DISTRICTS)
(3 VOTES)**

SUBJECT

To request Board approval for the Director of Health Services (Director) to accept compromise offers of settlement for patients who received medical care at either County facilities and/or at non-County operated facilities under the Trauma Center Service Agreement. The compromise offers of settlement referenced below are not within the Director's authority to accept.

IT IS RECOMMENDED THAT THE BOARD:

Authorize the Director or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts:

Patients who received medical care at County facilities:

- (1) Account Number LAC+USC – Various \$3,632
- (2) Account Number H-UCLA MC – 10356671 \$25,000
- (3) Account Number LAC+USC – Various \$45,000

Patients who received medical care at non-County facilities:

- (4) Account Number EMS – 562 \$3,000
- (5) Account Number EMS – 563 \$4,589
- (6) Account Number EMS – 286 \$10,000
- (7) Account Number EMS – 561 \$14,850

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

21 of October 21, 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Total All Accounts: \$106,071

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Patients who received medical care at a County facility: The compromise offers of settlement for patient accounts (1) - (3) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department was able to negotiate or was offered under the legal settlement involved in these cases.

Patients who received medical care at non-County facilities: The compromise offer of settlement for patient accounts (4) - (7) are recommended because the County has agreements with certain non-County medical facilities under which it pays for emergency care provided to eligible indigent patients at those facilities. These agreements allow the County, after it has made payment for a particular patient, to pursue recovery from third parties who are financially responsible for such care.

The best interests of the County would be served by approving the acceptance of these compromises, as it will enable the Department of Health Services (DHS) to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action supports Goal 1, Operational Effectiveness/Fiscal Sustainability, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$106,071.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

On January 15, 2002, the Board adopted an ordinance granting the Director authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so.

On November 1, 2005, the Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on December 8, 2005.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of medical lien holders, the patient's attorney retainer agreement, and costs accrued by the patient during the legal process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on patients who received medical care at County facilities will help DHS meet its budgeted revenue amounts. All payments received for the trauma accounts (non-County facilities) will replenish the Los Angeles County Trauma Funds.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is fluid and cursive, with the first name "Mitchell" written in a larger, more prominent script than the last name "Katz".

Mitchell H. Katz, M.D.

Director

MHK:lg

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: OCTOBER 21, 2014

Total Gross Charges	\$33,301	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$33,301	Date of Service	Various
Compromise Amount Offered	\$3,632	% Of Charges	11 %
Amount to be Written Off	\$29,669	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$33,301 for medical services rendered. The patient had ATP and ORSA with no liability and no other coverage was found. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and the attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33 %
Lawyer's Cost	\$1,373	\$1,373	9 %
LAC+USC Medical Center *	\$33,301	\$3,632	24 %
Other Lien Holders *	\$10,290	\$2,450	16 %
Patient	-	\$2,545	18 %
Total	-	\$15,000	100 %

* Lien holders are receiving 40% of the settlement (24% to LAC+USC Medical Center and 16% to others).

This patient is covered by ATP (inpatient) and ORSA (outpatient) and as a condition of the ATP and ORSA agreements; the County may pursue reimbursement from any responsible third party. Based on DHS's outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: OCTOBER 21, 2014

Total Gross Charges	\$445,403	Account Number	10356671
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$445,403	Date of Service	11/7/12 – 12/24/12
Compromise Amount Offered	\$25,000	% Of Charges	6 %
Amount to be Written Off	\$420,403	Facility	H-UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient gross charges of \$445,403 for medical services rendered. The patient had Medicare and Medi-Cal but did not provide the necessary information timely to establish Medicare coverage for billing. The patient's third party liability (TPL) claim settled for \$100,000, the policy limit carried by the party responsible at the time of the accident, and the attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$33,333	\$33,333	33 %
Lawyer's Cost	-	-	-
H-UCLA Medical Center	\$445,403	\$25,000	25 %
Other Lien Holders	-	-	-
Patient	\$41,666	\$41,667	42 %
Total	-	\$100,000	100 %

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: OCTOBER 21, 2014

Total Gross Charges	\$115,266	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$115,266	Date of Service	Various
Compromise Amount Offered	\$45,000	% Of Charges	39 %
Amount to be Written Off	\$70,266	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$115,266 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$140,000, the policy limit carried by the party responsible at the time of the accident, and the attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$56,000	\$56,000	40 %
Lawyer's Cost	\$27,248	\$27,248	19 %
LAC+USC Medical Center **	\$115,266	\$45,000	32 %
Other Lien Holders **	\$23,390	\$9,229	7 %
Patient	-	\$2,523	2 %
Total	-	\$140,000	100 %

* Attorney's fee of 40% was agreed upon in the retainer agreement between the patient and her attorney.

** Lien holders are receiving 39% of the settlement (32% to LAC+USC Medical Center and 7% to others).

Based on DHS's outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his/her obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: OCTOBER 21, 2014

Total Charges (Providers)	\$56,149	Account Number	EMS 562
Amount Paid to Provider	\$6,625	Service Type / Date of Service	Outpatient 7/14/2013
Compromise Amount Offered	\$3,000	% of Payment Recovered	45 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Providence Holy Cross Medical Center and incurred total outpatient gross charges of \$56,149 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$6,625. The patient's third-party claim has been settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$15,000)
Attorney fees	\$4,995	\$4,995	33 %
Other Lien Holders *	\$10,324	\$3,000	20 %
Los Angeles County *	\$56,149	\$3,000	20 %
Patient	-	\$4,005	27 %
Total	-	\$15,000	100 %

* Lien holders are receiving 40% of the settlement (20% to Los Angeles County and 20% to others).

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 45% (\$3,000) of amount paid to Providence Holy Cross Hospital.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: OCTOBER 21, 2014

Total Charges (Providers)	\$100,484	Account Number	EMS 563
Amount Paid to Provider	\$47,615	Service Type / Date of Service	Inpatient 10/7/13 - 10/18/13
Compromise Amount Offered	\$4,589	% of Payment Recovered	10 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Long Beach Memorial Medical Center and incurred total inpatient gross charges of \$100,484 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$47,615. The patient's third-party claim has been settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$15,000)
Attorney fees	\$5,000	\$5,000	33 %
Lawyer cost	\$411	\$411	3 %
Los Angeles County	\$100,484	\$4,589	31 %
Patient	-	\$5,000	33 %
Total	-	\$15,000	100 %

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 10% (\$4,589) of amount paid to Long Beach Memorial Medical Center.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6
DATE: OCTOBER 21, 2014

Total Charges (Providers)	\$26,574	Account Number	EMS 286
Amount Paid to Provider	\$6,425	Service Type / Date of Service	Outpatient 9/10/2013
Compromise Amount Offered	\$10,000	% of Payment Recovered	156%

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Northridge Hospital Medical Center and incurred total outpatient gross charges of \$26,574 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$6,425. The patient's third-party claim has been settled for \$50,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$50,000)
Attorney fees	\$16,666	\$12,500	25 %
Attorney cost	\$1,512	\$1,512	3 %
Other Lien Holders *	\$5,780	\$3,230	6 %
Los Angeles County *	\$26,574	\$10,000	20 %
Patient	-	\$22,758	46 %
Total	-	\$50,000	100 %

* Lien holders are receiving 26% of the settlement (20% to Los Angeles County and 6% to others).

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 156% (\$10,000) of amount paid to Northridge Hospital Medical Center.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 7
DATE: OCTOBER 21, 2014

Total Charges (Providers)	\$302,239	Account Number	EMS 561
Amount Paid to Provider	\$39,769	Service Type / Date of Service	Inpatient & Outpatient 8/21/2008 - 8/30/2008
Compromise Amount Offered	\$14,850	% of Payment Recovered	37 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Providence Holy Cross Hospital and incurred total inpatient and outpatient gross charges of \$302,239 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$39,769. The patient's third-party claim has been settled for \$56,250, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$56,250)
Attorney fees	\$22,500	\$22,500	40 %
Other Lien Holders *	\$70,543	\$3,527	7 %
Los Angeles County *	\$302,239	\$14,850	26 %
Patient	-	\$15,373	27 %
Total	-	\$56,250	100%

* Lien holders are receiving 33% of the settlement (26% to Los Angeles County and 7% to others).

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 37% (\$14,850) of amount paid to Providence Holy Cross Hospital.